

**UNITED STATES OF AMERICA
BEFORE THE FEDERAL TRADE COMMISSION**

In the Matter of)	
)	
KING PHARMACEUTICALS, INC.,)	File No. 081-0240
a corporation; and)	
)	
ALPHARMA INC.,)	
a corporation.)	

AGREEMENT CONTAINING CONSENT ORDER

The Federal Trade Commission (“Commission”), having initiated an investigation of the proposed acquisition by Respondent King Pharmaceuticals, Inc. of Respondent Alharma Inc., (hereinafter collectively referred to as (“Proposed Respondents”) and it now appearing that Proposed Respondents are willing to enter into this Agreement Containing Consent Order (“Consent Agreement”) to divest certain assets and providing for other relief:

IT IS HEREBY AGREED by and between the Proposed Respondents, by their duly authorized officers and attorneys, and counsel for the Commission that:

1. Proposed Respondent King Pharmaceuticals, Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Tennessee, with its principal address located at 501 Fifth Street, Bristol, Tennessee 37620.
2. Proposed Respondent Alharma Inc. is a corporation organized, existing and doing business under and by virtue of the laws of the State of Delaware, with its principal address located at 440 Route 22 East, Bridgewater, New Jersey 09907.
3. Proposed Respondents admit all the jurisdictional facts set forth in the draft of Complaint here attached.
4. Proposed Respondents waive:
 - a. any further procedural steps;
 - b. the requirement that the Commission’s Decision and Order, which is attached hereto and made a part hereof, contain a statement of findings of fact and conclusions of law;

- c. all rights to seek judicial review or otherwise challenge or contest the validity of the Decision and Order entered pursuant to this Consent Agreement; and
 - d. any claim under the Equal Access to Justice Act.
5. Because there may be interim competitive harm, the Commission may issue its Complaint in this matter at any time after it accepts the Consent Agreement for public comment.
6. Not later than thirty (30) days after the date this Consent Agreement is signed by the Director or the Deputy Director of the Bureau of Competition, Proposed Respondents shall submit an initial report, pursuant to Section 2.33 of the Commission's Rules, 16 C.F.R. § 2.33. Such report shall be signed by Proposed Respondents and set forth in detail the manner in which Proposed Respondents have complied and will comply with the Decision and Order. Such report will not become part of the public record unless and until the Consent Agreement and Decision and Order are accepted by the Commission for public comment.
7. In the report described in Paragraph 6, Proposed Respondents shall provide sufficient information and documentation to enable the Commission to determine independently whether Proposed Respondents are in compliance with this Agreement and the Order. The report shall be verified by a notarized signature or sworn statement of the Chief Executive Officer or other officer or director of Proposed Respondents specifically authorized to perform this function, or self verified in the manner set forth in 28 U.S.C. §1746. Section 2.41(a) of the Commission's Rules of Practice requires that an original and two copies of all compliance reports be filed with the Commission. Proposed Respondents shall file the original report and one copy with the Secretary of the Commission, and shall send at least one copy directly to the Bureau of Competition's Compliance Division.
8. This Consent Agreement shall not become part of the public record of the proceeding unless and until it is accepted by the Commission. If this Consent Agreement is accepted by the Commission, it, together with the draft Complaint contemplated thereby, will be placed on the public record for a period of thirty (30) days and information in respect thereto publicly released. The Commission thereafter may either withdraw its acceptance of this Consent Agreement and so notify Proposed Respondents, in which event it will take such action as it may consider appropriate, or issue or amend its Complaint (in such form as the circumstances may require) and issue its Decision and Order, in disposition of the proceeding.
9. This Consent Agreement is for settlement purposes only and does not constitute an admission by Proposed Respondents that the law has been violated as alleged in the draft Complaint here attached, or that the facts as alleged in the draft Complaint, other than jurisdictional facts, are true.
10. This Consent Agreement contemplates that, if it is accepted by the Commission, and if such acceptance is not subsequently withdrawn by the Commission pursuant to the provisions of

Commission Rule 2.34, 16 C.F.R. § 2.34, the Commission may, without further notice to Proposed Respondents, (a) issue and serve its Complaint corresponding in form and substance with the draft of Complaint here attached and the Decision and Order in disposition of the proceeding; and (b) make information public with respect thereto. When so entered, the Decision and Order shall have the same force and effect and may be altered, modified, or set aside in the same manner and within the same time provided by statute for other orders. The Decision and Order shall become final upon service. Delivery of the Complaint and the Decision and Order to Proposed Respondents by any means specified in Commission Rule 4.4(a), 16 C.F.R. § 4.4(a) shall constitute service. Proposed Respondents waive any right they may have to any other manner of service. The Complaint may be used in construing the terms of the Decision and Order, and no agreement, understanding, representation, or interpretation not contained in the Decision and Order or the Consent Agreement may be used to vary or contradict the terms of the Decision and Order.

11. By signing this Consent Agreement, Proposed Respondents represent and warrant that they can accomplish the full relief contemplated by the attached Decision and Order (including effectuating all required divestitures, assignments, and transfers) and that all parents, subsidiaries, affiliates, and successors necessary to effectuate the full relief contemplated by this Consent Agreement are: (1) within the control of the party to this Consent Agreement, or (2) will be in the control of the party to this Consent Agreement after the proposed acquisition.
12. Proposed Respondents have read the draft Complaint and the Decision and Order contemplated hereby. By signing this Consent Agreement, Proposed Respondents represent and warrant that the Remedial Agreement (as defined in the Decision and Order) that has been submitted to the Commission at the time of this Consent Agreement for approval by the Commission in connection with the Commission's determination to make the Decision and Order final comports with all of the relevant requirements of the Decision and Order and requires Proposed Respondents to divest all assets required to be divested pursuant to the relevant divestiture requirements of the Decision and Order. Proposed Respondents also represent and warrant that Proposed Respondents shall interpret such Remedial Agreement in a manner that is fully consistent with all of the relevant provisions and remedial purposes of the Decision and Order. Proposed Respondents understand that once the Decision and Order has been issued, they will be required to file one or more compliance reports showing that they have fully complied with the Decision and Order.
13. Proposed Respondents agree to comply with the terms of the proposed Decision and Order from the date they sign this Consent Agreement. Proposed Respondents further understand that they may be liable for civil penalties in the amount provided by law for each violation of the Decision and Order after it becomes final.

Signed this _____ day of December 2008.

KING PHARMACEUTICALS, INC.

By: _____
Brian A. Markison
Chairman, President and Chief Executive
Officer
King Pharmaceuticals, Inc.

Phillip A. Proger
Jones Day
Counsel for
King Pharmaceuticals, Inc.

ALPHARMA INC.

By: _____
Dean Mitchell
President and Chief Executive Officer
Alpharma Inc.

Joseph F. Tringali
Simpson Thacher & Bartlett LLP
Counsel for
Alpharma Inc.

**FEDERAL TRADE COMMISSION,
BUREAU OF COMPETITION**

By: _____
James E. Southworth
Jacqueline K. Mendel
Attorneys
Bureau of Competition

APPROVED:

By: _____
Michael R. Moiseyev
Assistant Director
Bureau of Competition

David P. Wales
Acting Director
Bureau of Competition